

fund insurance premiums of retirees under the Aetna Plan and former employees on long term disability under the Group Benefits Plan, and will simultaneously pay covered Benefits for the Debtors' current employees and any costs of administration of the VEBA, until the Excess Funds have been exhausted or Aetna discontinues the Group Access-only Program or the COBRA continuation period for former employees on long term disability expires. LBHI and LBI will not make, nor are they obligated to make, any future contributions to the VEBA.

Although the VEBA is expected to continue to pay insurance premiums under the Aetna Plan on behalf of retirees and the Group Benefits Plan for former employees on long term disability, no payments will be made on behalf of such individuals after the VEBA funds have been exhausted or Aetna discontinues the Aetna Plan or the COBRA continuation period for former employees on long term disability expires. LBHI and LBI will not make any contributions to the VEBA and LBHI is not reinstating the Group Benefits Plan or undertaking any obligation to fund retiree and long term disability Benefits. Such costs remain the sole obligation of the individuals.

On October 21, 2011, the Parties filed a joint motion (the "Motion") seeking approval of the Settlement Agreement. A hearing (the "Hearing") will be held before the Honorable James M. Peck, United States Bankruptcy Judge, at the United States Bankruptcy Court, Alexander Hamilton Customs House, Courtroom 601, One Bowling Green, New York, New York 10004 on **November 16, 2011 at 10:00 a.m. (Prevailing Eastern Time)** to consider approval of the Motion and the Settlement Agreement.

If you choose to object to the Motion and the Settlement Agreement, you must file a written objection, with proof of service, with the Clerk of the Court and mail courtesy copies to: (i) the chambers of the Honorable James M. Peck, One Bowling Green, New York, New York 10004, Courtroom 610; (ii) attorneys for the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Ave., New York, New York 10153, Attn: Richard P. Krasnow, Esq., and (iii) attorneys for the SIPA Trustee, Hughes Hubbard & Reed LLP, One Battery Park Plaza, New York, New York 10004, Attn: Jeffrey S. Margolin, Esq., so as to be received by no later than **November 9, 2011 at 4:00 p.m. (Prevailing Eastern Time)**.

If you do not object to the approval of the Motion and the Settlement Agreement, you do not need to attend the Hearing. Your failure to respond will be deemed to be a no-objection to the Motion and the Settlement Agreement. You may wish to consult legal counsel to the extent you deem appropriate.

If you would like to obtain complete copies of the Motion and/or the Settlement Agreement and its related documents, please visit www.lehman-docket.com for free access to such documents. Hard copies of these documents can also be requested from the Lehman Legal Hotline at lehmanteam@weil.com or 212-310-8040.